

Indiana Office of Energy & Defense Development

GUIDELINES FOR THE ALTERNATIVE POWER AND ENERGY GRANT PROGRAM

Grant Contact:

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ALTERNATIVE POWER AND ENERGY GRANT PROGRAM GUIDELINES

The Indiana Office of Energy & Defense Development (OED) is pleased to offer \$650,000 through the Alternative Power and Energy Grant Program (APE). The APE grant program will provide cost share grants to Indiana's public, non-profit, commercial, industrial and agricultural sectors for the purchase and installation of alternative energy systems.

Alternative energy systems make use of non-fossil fuel resources to produce clean, home-grown electricity and thermal energy. In a time of rising energy costs and increased energy supply volatility, it is vital to our economic future to diversify the portfolio of resources we use to produce energy.

Indiana has a variety of underutilized energy resources that can be used to achieve this goal. Often times these resources can be converted from costly liabilities to energy assets. The use of these local resources will help stabilize energy prices, while at the same time allowing Hoosiers to spend their energy dollars locally instead of exporting them out-of-state.

OED hopes to increase awareness and utilization of alternative energy resources through this grant program. Projects that include a public education component will be looked upon favorably.

APPLICATION TIMELINE

Please pay close attention to the dates set forth below. It is important to note that if awarded, the project must begin on or after **September 22, 2006** and be completed, with all grant money completely drawn down by **May 31, 2007**.

June 23, 2006	-APE Grant Program announced and posted to OED website.
September 1, 2006	-Applications must be received by OED and/or postmarked by this date in order to be eligible.
September 6, 2006	-E-mail confirmation will be sent to each applicant verifying that the application has been received.
September 22, 2006	-All applicants will be notified of their award or denial via e-mail. -Project construction can begin after award notification.
October 6, 2006	-Grant agreements will be generated and sent out by this date for those who received award notification.
January 15, 2007	-First quarterly report is due from grantees. Reporting will continue through grant expiration (January-April-July-October).
May 31, 2007	-Project must be completed and all grant money must be completely drawn down.
December 31, 2008	-Grant agreement expires.
January 31, 2009	-Final report is due.

ELIGIBILITY

Applicants

Eligible applicants include entities from Indiana's public, non-profit, commercial, industrial and agricultural sectors. Applications from the residential sector (homeowners) are not eligible for grant funding. Projects must be located in Indiana and non-Indiana entities must register to do business with the Indiana Secretary of State.

Technologies

Alternative energy systems that utilize the following technologies/resources to produce electricity and/or thermal energy are eligible for grant funding:

1. Organic biomass conversion
 - a. Agricultural waste
 - b. Woody biomass
 - c. Municipal sewage
 - d. Food process waste
2. Wind power
3. Combined Heat and Power (CHP) Systems with >70% thermal efficiency
 - a. Landfill methane gas
 - b. Coal mine methane gas
 - c. Industrial waste gas
4. Solar electric and solar thermal
5. Waste-to-energy using fluidized bed, fast pyrolysis, plasma arc or gasification technology
6. Fuel cells
7. Hydroelectric power (retrofit of non-performing, existing installation)

Hybrid systems that make use of two or more technologies are eligible for grant funding.

Transportation applications, non-commercially available technologies and projects using fossil fuels (natural gas, coal or petroleum) are not eligible for grant funding.

Costs

Equipment and installation costs directly related to the installation of an alternative energy system are considered eligible expenses. Eligible costs and cost-share must occur during September 22, 2006 to May 31, 2007 time period. This means that projects that begin before September 22, 2006 or that are completed after May 31, 2007 are not eligible for grant funding.

GRANT AMOUNTS AND COST SHARE

Grant amounts and cost share will be determined based on the rated electric or thermal output capacity of the alternative energy system.

- 1. 50% of project costs, up to a maximum grant of \$50,000**
 - Up to 1 megawatt (MW) of electric capacity (electric projects)
 - Up to 3.4 million British thermal units (mmbtu) capacity (thermal projects)
- 2. 30% of project costs, up to a maximum grant of \$100,000**
 - Greater than 1 MW, up to 5 MW
 - Greater than 3.4 mmbtu, up to 17.1 mmbtu
- 3. 30% of project costs, up to a maximum grant of \$250,000**
 - Greater than 5 MW, up to 10 MW
 - Greater than 17.1 mmbtu, up to 34.1 mmbtu

Depending on the quality of the applications received, OED may award smaller grant amounts than expected to projects that fit into the above categories.

A minimum of 50% grantee cost share will be required for category 1 and 70% cost share for categories 2 and 3.

*Examples: 10kW wind turbine, total project cost of \$70,000.
-This project falls into category 1 and is eligible for a \$35,000 grant (50%). The remaining costs must be covered by the applicant or the applicant's partners.*

*3.2MW landfill methane CHP project, total project cost of \$4,000,000
-This project falls into category 2 and is eligible for the maximum \$100,000 grant. The remaining costs must be covered by the applicant or the applicant's partners.*

TERMS

Grants are only available for eligible applicants. Matching funds are required for this grant program. OED reserves the right to award none of the funding allotted (\$0) to all of the funding allotted (\$650,000), depending on the quality and eligibility of applications. Funds cannot be drawn down until there is an executed grant agreement (contract). **The funds must be drawn down by May 31, 2007.** All grants from OED are on a reimbursement basis only. There is no advance payment in this grant program.

Funds may be used in conjunction with other financing programs; however, the Grant funds may only be used for the purchase and installation of alternative energy systems covered in the contract. Recipients must disclose all federal awards received per year. Any grantee expending Five Hundred Thousand Dollars (\$500,000) or more in federal awards per year must have an audit made for that year by an independent auditor. Non-

profit organizations, institutions of higher education, and local governments should consult the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" for guidance.

GRANT RESPONSIBILITIES

Reporting Requirements

A report is due at the end of each quarter and a final report at the end of the funding period. Quarterly reporting will commence January 2007 and will end with a final report in January 2009. The report will detail activities/results such as timelines, budget information including grant monies received, energy saved, energy cost savings and a narrative on the project's progress. These results/activities are provided to OED by the grantee in the form of Quarterly Reports which are due in January, April, July, and October of each year during the Grant Agreement. The reports will be used to track progress made by the grantee as well as used to report to the U.S. Department of Energy.

A final progress report will be due **January 31, 2009**. This final report will summarize all aspects of the project.

Maintain Communication

The grantee shall maintain communication with the Office of Energy & Defense Development for the duration of the Grant Agreement.

Site Visits

Grantee shall allow OED to conduct project site visits when given (5) business days notice.

APPLICATION PROCESS

Interested applicants will fill out an Application Proposal Request on OED's website prior to submitting an application. This can be found at: www.energy.in.gov/applications. Once this is submitted, each interested applicant must fill out an application and send it to OED, along with all required documentation by **September 1, 2006**. E-mail application submission is highly preferred.

GRANT APPROVAL

OED administers the APE Grant Program and will review and score all grant applications. All grant applications submitted will compete against one another for grant funding. If the applicant is approved by OED, a grant agreement will be drawn in order to establish the terms of the grant and other conditions needed to manage the grant. Award notification will be made by **September 22, 2006** and grant agreements will be sent to awardees by **October 6, 2006**. Once the awardee signs and returns the grant agreement to OED, it will begin the State signature process, which can take up to 8 weeks.

for completion. Upon completing the State signature process, the awardee may draw down on grant funds as the project is completed.

CONFIDENTIALITY INFORMATION

To the extent feasible and permissible by law, the Office of Energy & Defense Development (OED) will honor an applicant's request that confidential information submitted to OED will remain confidential. OED will treat information as confidential only if: (i) the information is, in fact, protected confidential information such as trade secrets or privileged or confidential commercial or financial information; (ii) the information is specifically marked or identified as confidential by the applicant; (iii) the information is segregated and placed in a separate appendix to the application; and (iv) no disclosure of the information is required by law or judicial order. If the application results in award of a grant, the honoring of confidentiality of identified data shall not limit the right of OED to disclose the details and results of the grant to the general public.

FOR MORE INFORMATION

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OED may request additional information from an applicant to help evaluate an application.